

Lilybank Terrace Limited

Report and Financial Statements

31 March 2009

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COMPANIES HOUSE

Lilybank Terrace Limited

Registered No: SC315541

Directors

D Porter
J M Law
M A Clapham

Secretary

D A Cumine

Auditors

Baker Tilly UK Audit LLP
Breckenridge House
274 Sauchiehall Street
Glasgow
G2 3EH

Bankers

Bank of Scotland
Gordon Street
Glasgow
G1 3RS

Solicitors

DLA Piper Scotland LLP
249 West George Street
Glasgow
G2 4RB

Registered office

Venlaw Building
349 Bath Street
Glasgow
G2 4AA

Directors' report

The directors present their report and financial statements for the year ended 31 March 2009.

Results and dividends

The company did not generate any income nor incur any expenditure other than that relating to development work in progress. Consequently, no profit and loss account for the year has been prepared.

Principal activity, review of the business and future developments

The company's principal activity during the year was that of residential property development.

Following the fire in November 2008 which severely damaged the company's development property, the company's insurers accepted liability. Cost has been expended demolishing part of the property and the directors are currently reviewing development proposals with the intention to continue with a residential development of the fire damaged site.

Directors of the company

The directors of the company during the year were:

D Porter

J M Law

M A Clapham

Directors' qualifying third party indemnity provisions

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

During the period Baker Tilly UK Audit LLP were appointed auditors in place of Ernst & Young LLP. A resolution to reappoint Baker Tilly UK Audit LLP as auditors will be put to the members at the Annual General Meeting.

By order of the board



D A Cumine
Director

31 July 2009

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors' report

to the members of Lilybank Terrace Limited

We have audited the financial statements on pages 6 to 9.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report

to the members of Lilybank Terrace Limited

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Baker Tilly UK Audit LLP

BAKER TILLY UK AUDIT LLP
Registered Auditor
Chartered Accountants
Breckenridge House
274 Sauchiehall Street
Glasgow
G2 3EH

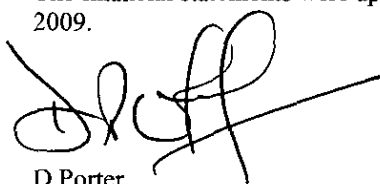
31 July 2009

Balance sheet

at 31 March 2009

	Notes	2009 £	2008 £
Current assets			
Stocks	2	4,974,605	4,659,687
Debtors	3	9,665	19,093
Cash at bank and in hand		121,233	337
		<u>5,105,503</u>	<u>4,679,117</u>
Creditors: amounts falling due within one year	4	5,105,403	4,679,017
		<u>100</u>	<u>100</u>
Total assets less current liabilities			
		<u>100</u>	<u>100</u>
Capital and reserves			
Called up share capital	5	100	100
		<u>100</u>	<u>100</u>
Shareholders' funds			
		<u>100</u>	<u>100</u>

The financial statements were approved by the board of directors and authorised for issue on 31 July 2009.



D Porter
Director

31 July 2009

Notes to the financial statements

for the year ended 31 March 2009

1. Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that it is a 'small' company under the Companies Act 1985.

Capitalisation of interest

Interest incurred on borrowings to finance property development is capitalised. Interest is capitalised before any allowances for tax relief.

Stock of properties

Trading and development properties are stated at the lower of cost and net realisable value. Cost includes all fees related to the purchase of the property, development expenditure and, where appropriate, capitalised interest. Net realisable value is based on estimated sales price less costs estimated to be incurred up to the date of disposal.

For trading properties in the course of development, interest is capitalised in stocks up until the date of practical completion. From that date, interest is charged to the profit and loss account.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

2. Stocks

	2009 £	2008 £
Property under development	4,974,605	4,659,687

Property under development includes gross interest amounting to £402,418 (2008 - £232,731).

3. Debtors

	2009 £	2008 £
Other debtors	9,665	19,093

All amounts shown under debtors fall due for payment within one year.

Notes to the financial statements

for the year ended 31 March 2009

4. Creditors: amounts falling due within one year

	2009 £	2008 £
Bank loan	3,394,341	3,187,605
Trade creditors	33,460	47,689
Amounts owed to group undertakings	1,670,379	1,427,494
Accruals and deferred income	7,223	16,229
	<u>5,105,403</u>	<u>4,679,017</u>

The bank loan is secured by a first ranking standard security over the property and development site and by a bond and floating charge over the company's assets.

Amounts owed to Credential Holdings Limited of £1,377,572 (2008 - £1,352,676) included in amounts due to group undertakings, are secured by a second ranking standard security and floating charge over the property and development site.

5. Share capital

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	2009	2008	2009	2008
	£	£	£	£
Equity share capital				
'A' Ordinary shares of £1 each	500	500	51	51
'B' Ordinary shares of £1 each	500	500	49	49
	<u>1,000</u>	<u>1,000</u>	<u>100</u>	<u>100</u>

6. Reconciliation of shareholders' funds and movements on reserves

	<i>Share capital</i> £	<i>Profit and loss account</i> £	<i>Total</i> £
At 1 April 2008	100	-	100
Profit for the year	-	-	-
At 31 March 2009	<u>100</u>	<u>-</u>	<u>100</u>

Notes to the financial statements

for the year ended 31 March 2009

7. Related party disclosures

Pursuant to the exemption granted by Financial Reporting Standard 8 'Related Party Disclosures' transaction with other undertakings within, and related parties of, Credential Holdings Limited (formerly Squeeze Newco 3 Limited) have not been disclosed in these financial statements.

8. Ultimate parent undertaking

The directors regard Credential Holdings Limited (formerly Squeeze Newco 3 Limited), a company registered in Scotland as the company's ultimate parent company. Credential Holdings Limited which is controlled by R B Clapham, is the parent undertaking of the largest group of which the company is a member, and for which group accounts are drawn up. Credential Residential Finance Limited is the parent undertaking of the smallest group of which the company is a member and for which group accounts are drawn up. Copies of the accounts of Credential Holdings Limited and of Credential Residential Finance Limited may be obtained from the Register of Companies.